

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>Township of Alpine</b>	County <b>Kent</b>
Audit Date <b>6/30/04</b>	Opinion Date <b>12/7/04</b>	Date Accountant Report Submitted to State: <b>12/22/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Siegfried Crandall PC</b>			
Street Address <b>246 East Kilgore Road</b>		City <b>Kalamazoo</b>	State <b>MI</b>
		ZIP <b>49002-5599</b>	
Accountant Signature 			Date <b>12/22/04</b>

*Township of Alpine*  
*Kent County, Michigan*  
**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
*Year ended June 30, 2004*

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## INDEPENDENT AUDITORS' REPORT

**Board of Trustees  
Township of Alpine, Michigan**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Alpine, Michigan, as of June 30, 2004, and for the year then ended, which collectively comprise the Township of Alpine, Michigan's basic financial statements, as listed in the contents. These financial statements are the responsibility of the Township of Alpine, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Alpine, Michigan, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 12, the Township of Alpine, Michigan has implemented a new financial reporting model, as required by the provisions of Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of July 1, 2003.

The management's discussion and analysis and budgetary comparison schedule, as listed in the contents, are not required parts of the basic financial statements but are supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Alpine, Michigan's basic financial statements. The supplementary data, as listed in the contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The supplementary data has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITORS' REPORT *(Continued)*

The other information designated as "Securities and Exchange Commission Rule 15c2-12 Continuing Disclosure" in the contents is also presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Township of Alpine, Michigan. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion thereon.

*Siegfried Crandall P.C.*

December 7, 2004

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

***Township of Alpine***  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Our discussion and analysis of the Township of Alpine's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended June 30, 2004. Please read it in conjunction with the Township's financial statements.

**Financial Highlights**

- The Township's total net assets increased by \$411,473 (3 percent) as a result of this year's activities. Net assets of the governmental activities increased by \$361,505, and the net assets of the business-type activities increased by \$49,968.
- Of the \$15,591,783 total net assets reported, \$3,418,859 (22 percent) is unrestricted, or available to be spent at the discretion of the Board.
- The General Fund's unreserved fund balance at the end of the fiscal year was \$676,579, which represents 28 percent of the actual total General Fund expenditures for the current fiscal year.

**Overview of the Financial Statements**

The Township's basic financial statements are comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents additional information. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township, reporting the Township's operations in more detail than the government-wide financial statements.
  - Governmental fund statements tell how general government services, like public safety, were financed in the short-term as well as what remains for future spending.
  - Proprietary fund statements offer short- and long-term financial information about the activities the government operates like a business, such as the sewer system.
  - Fiduciary fund statements provide information about the financial relationships in which the Township acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Because this is the first year of this reporting format, a comparative analysis of the basic financial statements was not practicable. Comparative analyses of the basic financial statements will be made in subsequent years.

**Township of Alpine**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (*Continued*)**

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**Government-wide Financial Statements**

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Township's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the Township's net assets and how they have changed. Net assets (the difference between the Township's assets and liabilities) is one way to measure the Township's financial health, or position.

- Over time, increases or decreases in the Township's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Township, you need to consider additional nonfinancial factors such as changes in the Township's property tax base and the condition of the Township's capital assets.

The government-wide financial statements are divided into two categories:

- *Governmental activities* - Most of the Township's basic services are included here, such as fire protection and general government. State shared revenue and property taxes finance most of these activities.
- *Business-type activities* - The Township charges fees to customers to help it cover the costs of the services it provides. The Township's sewer system is reported here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and by bond agreements.
- The Township Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and other revenues.

The Township has three kinds of funds:

1. *Governmental funds*. Most of the Township's basic services are included in governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flow in and out and, (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship between them.



**Township of Alpine**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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2. *Proprietary funds.* Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information. In fact, the Township's enterprise fund (one type of proprietary fund) is the same as its business-type activities, but provides more detail and additional information, such as cash flows.
3. *Fiduciary funds.* These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside the government. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Township's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

**Financial Analysis of the Government as a Whole**

*Net Assets*

Total net assets at the end of the fiscal year were \$15,591,783, an increase of 3 percent compared to the prior year. Of this total, \$10,786,965 is invested in capital assets and \$1,375,959 is restricted for capital projects and debt service. Consequently, unrestricted net assets were \$3,418,859, or 22 percent of the total.

*Condensed financial information*  
*Net Assets*

	<i><u>Governmental activities</u></i>	<i><u>Business-type activities</u></i>	<i><u>Total</u></i>
Current assets	\$1,566,452	\$ 2,962,588	\$ 4,529,040
Noncurrent assets	<u>4,329,239</u>	<u>11,245,235</u>	<u>15,574,474</u>
<i>Total assets</i>	<u>5,895,691</u>	<u>14,207,823</u>	<u>20,103,514</u>
Current liabilities	431,187	284,817	716,004
Noncurrent liabilities	<u>970,727</u>	<u>2,825,000</u>	<u>3,795,727</u>
<i>Total liabilities</i>	<u>1,401,914</u>	<u>3,109,817</u>	<u>4,511,731</u>
Net assets			
Invested in capital assets, net of related debt	3,113,552	7,683,413	10,796,965
Restricted	692,759	683,200	1,375,959
Unrestricted	<u>687,466</u>	<u>2,731,393</u>	<u>3,418,859</u>
<i>Total net assets</i>	<u>\$4,493,777</u>	<u>\$11,098,006</u>	<u>\$15,591,783</u>

**Township of Alpine**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Financial Analysis of the Government as a Whole (Continued)**

*Changes in net assets*

The Township's total revenues are \$3,826,846. Nearly 28 percent of the Township's revenues are derived from sewer charges, while 26 percent comes from state shared revenue and 18 percent from property taxes.

The total cost of all the Township's programs, covering a wide range of services, totaled \$3,415,373. More than 34 percent of the Township's costs relate to the provision of sewer services. Public safety costs account for 26 percent of the costs and general government costs account for 22 percent of the Township's total costs.

*Condensed financial information  
changes in Net Assets*

	<i>Governmental activities</i>	<i>Business-type activities</i>	<i>Total</i>
Program revenues			
Charges for services	\$ 319,612	\$1,055,941	\$1,375,553
Operating grants and contributions	8,939	-	8,939
Capital grants and contributions	440,894	58,240	499,134
General revenues			
Property taxes	705,401	-	705,401
State shared revenue	979,929	-	979,929
Unrestricted investment return	48,591	98,584	147,175
Franchise fees	86,279	-	86,279
Miscellaneous	<u>24,436</u>	<u>-</u>	<u>24,436</u>
<i>Total revenues</i>	<u>2,614,081</u>	<u>1,212,765</u>	<u>3,826,846</u>
Expenses			
Legislative	16,119	-	16,119
General government	743,987	-	743,987
Public safety	883,204	-	883,204
Public works	261,709	-	261,709
Community and economic development	137,330	-	137,330
Culture and recreation	158,689	-	158,689
Interest	51,538	-	51,538
Sewer	<u>-</u>	<u>1,162,797</u>	<u>1,162,797</u>
<i>Total expenses</i>	<u>2,252,576</u>	<u>1,162,797</u>	<u>3,415,373</u>
Increase in net assets	\$ <u>361,505</u>	\$ <u>49,968</u>	\$ <u>411,473</u>

**Township of Alpine**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Financial Analysis of the Government as a Whole (Continued)**

*Governmental activities*

Governmental activities increased the Township's net assets by \$361,505.

The cost of all governmental activities this year was \$2,252,576. After subtracting the direct charges to those who directly benefited from the programs (\$319,612), and operating and capital grants (\$449,833), the "public benefit" portion covered by property taxes, state revenue sharing, and other general revenues was \$1,483,131.

*Business-type activities*

Business-type activities increased the Township's net assets by \$49,968. The Board continues to manage its sewer operations in such a way that quarterly service charges cover the full cost of providing wastewater treatment services.

**Financial Analysis of the Township's Funds**

*Governmental funds*

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$1,173,975, an increase of \$6,613 in comparison with the prior year. Of the total fund balances, \$1,043,372 (89 percent) constitutes unreserved fund balance, which is available for spending at the Township's discretion. Of this amount, \$581,652 has been designated by the Board for specific purposes, leaving \$461,720 as the undesignated fund balance. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for debt service (\$130,603).

The General Fund is the chief operating fund of the Township. At the end of the fiscal year, unreserved fund balance was \$676,579, which represents 28 percent of the actual total General Fund expenditures for the current fiscal year. The fund balance decreased by \$145,735 during the fiscal year primarily due to the following:

- Costs were incurred, in the amount of \$291,000, to improve Rhino Drive. However, the majority of these costs will be recovered through the collection of special assessments over a three-year period.
- Costs related to the Soccer program increased again during the current fiscal year. Next year's budget requires a significant reduction in these costs.
- The costs of employee fringe benefits have increased. These benefits have been significantly reduced in the next fiscal year.

The Capital Projects Fund experienced an increase in fund balance of \$175,831. The increase was a result of the collection of a number of new water special assessments.

The Debt Service Fund experienced a decrease in fund balance in the amount of \$23,483 because debt service costs exceeded special assessment collections in the current year.

*Proprietary fund*

The Sewer Fund experienced an increase in net assets of \$49,968. The increase was due to the continuation of the policy of assessing quarterly service charges that cover the full cost of providing wastewater treatment services. Net assets are \$11,098,006 at year-end.

***Township of Alpine***  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (*Continued*)**

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**General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget for expenditures was \$50,274 that was primarily due to an increase in the cost of new fire equipment. This equipment was financed by a federal grant.

Also, expenditures were \$528,118 less than budgeted. The difference between the actual and budgeted amounts can be attributed to several expenditures that were either delayed or cost less than anticipated. The planned purchase of a fire truck, in the amount of \$200,000, was delayed until the following fiscal year as was the master plan project. Public works costs, related to drain and road projects, were lower than anticipated.

**Capital Assets and Debt Administration**

*Capital Assets*

The Township's investment in capital assets for its governmental and business-type activities as of June 30, 2004 amounts to \$14,688,875 (net of accumulated depreciation). This investment includes a broad range of assets including land, buildings, equipment, and infrastructure. The increase in the Township's net investment in capital assets for the current fiscal year was \$223,198.

Major capital asset events during the current fiscal year included the following:

- Rhino Drive road improvements in the amount of \$291,436.
- Purchase of 20 SCBA air equipment sets for the firefighters for \$75,915.

More detailed information about the Township's capital assets is presented in Note 5 of the notes to the basic financial statements.

*Long-term Debt*

At the end of the fiscal year, the Township had total long-term bonds and loans outstanding in the amount of \$3,924,991, which represents a net increase of \$3,900. Of this amount, \$2,849,991 consists of debt backed by the full faith and credit of the Township. Another \$1,075,000 represents bonds secured solely by specific revenue sources (i.e., special assessments).

During the year ended June 30, 2004, the Township decreased its long-term debt through the retirement of various bonds, notes, and contracts totaling \$254,336.

Long-term debt increased by \$239,055 due to the increase in the amount of the contracts payable to the North Kent Sewer Authority caused by the rise in the Township's proportionate share of sewage flow through the Four Mile Lift Station.

Other long-term debt obligations totaling represent accrued compensated absences (\$33,081) and a claim payable (\$137,310).

More detailed information about the Township's noncurrent liabilities is presented in Note 6 of the notes to the basic financial statements.

**Economic Condition and Outlook**

The Township's General Fund budget for the next year is fairly consistent with the current year. The fund balance of the General Fund is projected to remain in the range that represents three to six months of anticipated expenditures. Due to the depressed economy and the potential for less state shared revenue than anticipated, the Township Board has not planned large capital projects other than the necessary purchase of a fire truck. A Building and Grounds Committee performs an annual review to determine facility and property needs to insure that those items are not overlooked in spite of the tight budget constraints.

The Township's enterprise operations, its wastewater treatment enterprise, face significant changes in the next year. A decision should be made concerning whether the Township will participate in the construction of a new wastewater treatment facility, through the North Kent Sewer Authority, or renew its contract with the City of Grand Rapids. Either alternative is expected to dramatically increase the cost of this service. The Township Board has approved an increase in its quarterly service charges from \$45 per quarter to \$48 per quarter in anticipation of this cost increase. The rate increase is effective January 1, 2005.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to Jean Wahlfield, Township Clerk, 5255 Alpine Avenue NW, Comstock Park, Michigan 49321.

## **BASIC FINANCIAL STATEMENTS**

**Township of Alpine**  
**STATEMENT OF NET ASSETS**  
June 30, 2004

	<b><i>Governmental Activities</i></b>	<b><i>Business-type Activities</i></b>	<b><i>Totals</i></b>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 1,280,648	\$ 2,367,496	\$ 3,648,144
Investments	-	519,100	519,100
Receivables	285,804	75,992	361,796
<i>Total current assets</i>	<u>1,566,452</u>	<u>2,962,588</u>	<u>4,529,040</u>
Noncurrent assets:			
Restricted investment	-	24,535	24,535
Receivables	255,799	605,265	861,064
Capital assets (net of depreciation)	4,073,440	10,615,435	14,688,875
<i>Total noncurrent assets</i>	<u>4,329,239</u>	<u>11,245,235</u>	<u>15,574,474</u>
<i>Total assets</i>	<u>5,895,691</u>	<u>14,207,823</u>	<u>20,103,514</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	201,744	161,095	362,839
Accrued expenses	63,651	16,700	80,351
Customer deposits	6,240	-	6,240
Bonds and loans payable	159,552	107,022	266,574
<i>Total current liabilities</i>	<u>431,187</u>	<u>284,817</u>	<u>716,004</u>
Noncurrent liabilities:			
Compensated absences	33,081	-	33,081
Claim payable	137,310	-	137,310
Bonds and loans payable	800,336	2,825,000	3,625,336
<i>Total noncurrent liabilities</i>	<u>970,727</u>	<u>2,825,000</u>	<u>3,795,727</u>
<i>Total liabilities</i>	<u>1,401,914</u>	<u>3,109,817</u>	<u>4,511,731</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,113,552	7,683,413	10,796,965
Restricted for:			
Capital projects	388,374	24,535	412,909
Debt service	304,385	658,665	963,050
Unrestricted	687,466	2,731,393	3,418,859
<i>Total net assets</i>	<u>\$ 4,493,777</u>	<u>\$ 11,098,006</u>	<u>\$ 15,591,783</u>

See notes to the financial statements

**Township of Alpine**  
**STATEMENT OF ACTIVITIES**  
Year ended June 30, 2004

<b>Functions/Programs</b>	<b>Program Revenues</b>			
	<b><u>Expenses</u></b>	<b><u>Charges for services</u></b>	<b><u>Operating grants and contributions</u></b>	<b><u>Capital grants and contributions</u></b>
<i>Governmental activities:</i>				
Legislative	\$ 16,119	\$ -	\$ -	\$ -
General government	743,987	71,401	-	-
Public safety	883,204	189,014	-	72,756
Public works	261,709	29,826	-	368,138
Community and economic development	137,330	-	-	-
Culture and recreation	158,689	29,371	8,939	-
Interest on long-term debt	51,538	-	-	-
<i>Total governmental activities</i>	<u>2,252,576</u>	<u>319,612</u>	<u>8,939</u>	<u>440,894</u>
<i>Business-type activities:</i>				
Sewer	<u>1,162,797</u>	<u>1,055,941</u>	<u>-</u>	<u>58,240</u>
<i>Total</i>	<u>\$ 3,415,373</u>	<u>\$ 1,375,553</u>	<u>\$ 8,939</u>	<u>\$ 499,134</u>

*General revenues:*

Property taxes  
State shared revenue  
Unrestricted investment return  
Franchise fees  
Miscellaneous

*Total general revenues*

**Change in net assets**

**Net assets - beginning of year**

**Net assets - end of year**



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***Net (expense) revenues and  
changes in net assets***

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<b><i>Governmental activities</i></b>	<b><i>Business-type activities</i></b>	<b><i>Totals</i></b>
\$ (16,119)		\$ (16,119)
(672,586)		(672,586)
(621,434)		(621,434)
136,255		136,255
(137,330)		(137,330)
(120,379)		(120,379)
<u>(51,538)</u>		<u>(51,538)</u>
<u>(1,483,131)</u>		<u>(1,483,131)</u>
 -	 \$ (48,616)	 (48,616)
<u>(1,483,131)</u>	<u>(48,616)</u>	<u>(1,531,747)</u>
 705,401	 -	 705,401
979,929	-	979,929
48,591	98,584	147,175
86,279	-	86,279
<u>24,436</u>	<u>-</u>	<u>24,436</u>
<u>1,844,636</u>	<u>98,584</u>	<u>1,943,220</u>
 361,505	 49,968	 411,473
<u>4,132,272</u>	<u>11,048,038</u>	<u>15,180,310</u>
<u>\$ 4,493,777</u>	<u>\$ 11,098,006</u>	<u>\$ 15,591,783</u>

*See notes to the financial statements*

**Township of Alpine**  
**BALANCE SHEET - Governmental Funds**  
Year ended June 30, 2004

	<u>General</u>	<u>Water Improvement</u>	<u>Debt Service</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash	\$ 727,185	\$ 422,860	\$ 130,603	\$ 1,280,648
Receivables	346,067	21,754	173,782	541,603
<i>Total assets</i>	<u>\$ 1,073,252</u>	<u>\$ 444,614</u>	<u>\$ 304,385</u>	<u>\$ 1,822,251</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 151,744	\$ 50,000	\$ -	\$ 201,744
Accrued expenses	63,651	-	-	63,651
Customer deposits	-	6,240	-	6,240
Deferred revenue	181,278	21,581	173,782	376,641
<i>Total liabilities</i>	<u>396,673</u>	<u>77,821</u>	<u>173,782</u>	<u>648,276</u>
Fund balances:				
Reserved for debt service	-	-	130,603	130,603
Unreserved:				
Designated	581,652	-	-	581,652
Undesignated	94,927	366,793	-	461,720
<i>Total fund balances</i>	<u>676,579</u>	<u>366,793</u>	<u>130,603</u>	<u>1,173,975</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,073,252</u>	<u>\$ 444,614</u>	<u>\$ 304,385</u>	

*Amounts reported for governmental activities in the statement of  
net assets are different because:*

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	4,073,440
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	376,641
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	(170,391)
Bonds payable are not due and payable in the current period and are not reported in the funds.	<u>(959,888)</u>
Net assets of governmental funds	<u>\$ 4,493,777</u>

See notes to the financial statements

**Township of Alpine**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**

**Governmental Funds**

Year ended June 30, 2004

	<u>General</u>	<u>Water Improvement</u>	<u>Debt service</u>	<u>Totals</u>
<b>REVENUES</b>				
Property taxes	\$ 705,401	\$ -	\$ -	\$ 705,401
Licenses and permits	175,602	-	-	175,602
Federal grants	72,756	-	-	72,756
State grants	988,868	-	-	988,868
Charges for services	121,528	-	-	121,528
Interest and rentals	25,642	10,718	12,231	48,591
Other	207,796	273,107	24,131	505,034
<i>Total revenues</i>	<u>2,297,593</u>	<u>283,825</u>	<u>36,362</u>	<u>2,617,780</u>
<b>EXPENDITURES</b>				
Legislative	16,119	-	-	16,119
General government	651,489	15,530	-	667,019
Public safety	679,338	92,464	-	771,802
Public works	529,659	-	-	529,659
Community and economic development	133,996	-	-	133,996
Culture and recreation	103,717	-	-	103,717
Capital outlay	182,743	-	-	182,743
Debt service:				
Principal	114,574	-	40,000	154,574
Interest and fees	31,693	-	19,845	51,538
<i>Total expenditures</i>	<u>2,443,328</u>	<u>107,994</u>	<u>59,845</u>	<u>2,611,167</u>
<b>NET CHANGE IN FUND BALANCES</b>	(145,735)	175,831	(23,483)	6,613
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>822,314</u>	<u>190,962</u>	<u>154,086</u>	<u>1,167,362</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 676,579</u>	<u>\$ 366,793</u>	<u>\$ 130,603</u>	<u>\$ 1,173,975</u>
Net change in fund balances - total governmental funds				\$ 6,613
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>				
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.				223,198
Because some special assessments will not be collected until subsequent periods, they are not considered available revenues and are deferred in the governmental funds. Deferred special assessment revenues decreased by this amount this year.				(3,699)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.				154,574
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.				(19,181)
Change in net assets of governmental activities				<u>\$ 361,505</u>

See notes to the financial statements

**Township of Alpine**  
**STATEMENT OF NET ASSETS - proprietary fund**  
*Year ended June 30, 2004*

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**ASSETS**

Current assets:

Cash	\$ 2,367,496
Investments	519,100
Receivables	<u>75,992</u>

*Total current assets* 2,962,588

Noncurrent assets:

Restricted investment	24,535
Receivables	605,265
Capital assets (net of depreciation)	<u>10,615,435</u>

*Total noncurrent assets* 11,245,235

*Total assets* 14,207,823

**LIABILITIES**

Current liabilities:

Accounts payable	161,095
Accrued expenses	16,700
Bonds and contracts payable	<u>107,022</u>

*Total current liabilities* 284,817

Noncurrent liabilities:

Bonds and contracts payable	<u>2,825,000</u>
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*Total liabilities* 3,109,817

**NET ASSETS**

Invested in capital assets, net of related debt 7,683,413

Restricted for:

Capital projects	24,535
Debt service	658,665
Unrestricted	<u>2,731,393</u>

*Total net assets* \$ 11,098,006

*See notes to the financial statements*

***Township of Alpine***

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -  
*proprietary fund***

*Year ended June 30, 2004*

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**OPERATING REVENUES**

Charges for services \$ 1,055,941

**OPERATING EXPENSES**

Administration 57,907

Treatment and transmission 563,691

Repairs and maintenance 159,581

Depreciation 232,402

*Total operating expenses* 1,013,581

**OPERATING INCOME**

42,360

**NONOPERATING REVENUES (EXPENSES)**

Connection fees 58,240

Interest revenue and penalties 98,584

Interest expense and fees (149,216)

*Total nonoperating revenues* 7,608

**CHANGE IN NET ASSETS**

49,968

**TOTAL NET ASSETS - BEGINNING OF YEAR**

11,048,038

**TOTAL NET ASSETS - END OF YEAR**

\$ 11,098,006

*See notes to the financial statements*

**Township of Alpine**  
**STATEMENT OF CASH FLOWS - Proprietary Fund**  
Year ended June 30, 2004

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 1,053,421
Payments to suppliers	<u>(717,131)</u>
<i>Net cash provided by operating activities</i>	<u>336,290</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Collection of special assessment principal	80,089
Connection fees	55,870
Principal payments on capital debt	(99,763)
Interest payments on capital debt	<u>(132,516)</u>
<i>Net cash used in capital and related financing activities</i>	<u>(96,320)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of investments	(7,899)
Interest received	<u>98,584</u>
<i>Net cash provided by investing activities</i>	<u>90,685</u>

**NET INCREASE IN CASH** 330,655

**CASH - BEGINNING OF YEAR** 2,061,376

**CASH - END OF YEAR** \$ 2,392,031

**Reconciliation of operating income to net cash provided by operating activities:**

Operating income	\$ 42,360
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	232,402
Changes in assets and liabilities:	
Increase in receivables	(2,520)
Increase in accounts payable	<u>64,048</u>
<i>Net cash provided by operating activities</i>	<u><u>\$ 336,290</u></u>

**Noncash capital financing activity:**

Capital assets of \$239,055 were acquired through an increase in contracts payable.

See notes to the financial statements

***Township of Alpine***  
**STATEMENT OF FIDUCIARY NET ASSETS - *agency funds***  
*June 30, 2004*

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**ASSETS**

Cash	\$ 34,251
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**LIABILITIES**

Due to other governmental units	\$ 2,385
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Due to others	<u>31,866</u>
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<i>Total liabilities</i>	<u>\$ 34,251</u>
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*See notes to the financial statements*

**Township of Alpine**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Township of Alpine, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the significant accounting policies.

*a) Reporting entity:*

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements present the Township. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Township has determined that no outside agency meets the above criteria and, therefore, no outside agency has been included as a blended or discretely-presented component unit in the Township's general purpose financial statements.

*b) Government-wide and fund financial statements:*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Township. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

*c) Measurement focus, basis of accounting, and financial statement presentation:*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.



**Township of Alpine**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*c) Measurement focus, basis of accounting, and financial statement presentation (continued):*  
Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the proprietary fund. The Township's Capital Projects Fund is used to account for transactions involving water system improvements within the Township.

The Debt Service Fund accounts for the accumulation of resources restricted for, and the payment of, general long-term debt principal, interest, and related costs.

The Township reports the following major proprietary fund:

The Sewer Fund accounts for the activities of the Township's sewage collection systems.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector standards.

**Township of Alpine**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*c) Measurement focus, basis of accounting, and financial statement presentation (continued):*  
Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*d) Assets, liabilities, and net assets or equity:*

*i) Bank deposits and investments* - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

All investments are reported at fair market value, with changes in value recognized in the operating statement of each fund.

*ii) Receivables* - Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

*iii) Prepaid items* - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

*iv) Restricted assets* - Certain bond proceeds and resources set aside for their repayment are classified as restricted assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

*v) Capital assets* - Capital assets, which include property, equipment, and infrastructure assets (e.g., roads and drains), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**Township of Alpine**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*d) Assets, liabilities, and net assets or equity (continued):*

The Township has elected to use the prospective method of accounting for infrastructure assets whereby it will capitalize its infrastructure assets beginning July 1, 2003, as permitted by GASB Statement No. 34.

The Township includes shared road and water system improvement costs in the infrastructure assets of its governmental activities. These costs represent the Township's portion of public road improvements for roads that are owned by the Kent County Road Commission and water system improvements that are owned by the Charter Township of Plainfield.

The Township includes shared sewer system improvement costs in the infrastructure assets of its business-type activities. These costs represent the Township's portion of sewer system improvements that are owned by the North Kent Sewer Authority. The valuation of these assets is based on the Township's proportionate share of sewage flows as measured at the Four Mile Lift Station. The flows are measured annually and any changes will affect the valuation of these intangible assets and their related debt.

Capital assets are depreciated using the straight-line method over the following useful lives:

Land improvements, including roads	10 - 20 years
Buildings and improvements	20 - 50 years
Equipment and furniture	5 - 20 years
Vehicles	20 years
Sewer and water systems	50 years

*vi) Compensated absences* - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. A liability for unpaid accumulated vacation and sick leave has been recorded for the portion due to employees upon separation from service with the Township. Vested compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

*vii) Fund equity* - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represents tentative management plans that are subject to change.

*viii) Special assessment recognition:*

In governmental funds, special assessment revenue is recorded as deferred when initially assessed. Revenues are recognized to the extent that special assessments are collected. Interest income on special assessments receivable is not accrued until its due date.

In proprietary funds, special assessments, when approved, are recognized as nonoperating revenue equal to the portion of the asset financed by the assessment.

**Township of Alpine**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the Township's General Fund. The budget document presents information by fund, function, department, and line-item. The legal level of budgetary control adopted by the governing body is the activity level. All annual appropriations lapse at the end of the fiscal year.

**NOTE 3 - CASH AND INVESTMENTS:**

The Township's cash, as presented in the government-wide statement of net assets, is as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Fiduciary</u>	<u>Totals</u>
Deposits	\$1,280,548	\$2,367,496	\$34,251	\$3,682,295
Cash on hand	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total cash	<u>\$1,280,648</u>	<u>\$2,367,496</u>	<u>\$34,251</u>	<u>\$3,682,395</u>

*a) Deposits with financial institutions:*

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township. State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At June 30, 2004, the Township has deposits with a carrying amount of \$3,682,295 and a bank balance of \$3,735,344. Of the bank balance, \$200,000 is covered by federal depository insurance and \$3,535,344 is uninsured.

*b) Investments:*

State statutes authorize the Township to invest in: a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper, with three highest rate classifications by at least two national rating services, maturing not later than 270 days; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; e) mutual funds; and f) investment pools organized under the local government investment pool act. Not more than 50% of any mutual fund may be invested in commercial paper. The Township's investments consist of holdings in the Kent County Investment Pool, which is a nonrisk-categorized, qualifying investment, that are carried at market value.

**Township of Alpine**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 4 - RECEIVABLES:**

At June 30, 2004, the Township's receivables are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Sewer</u>	<u>Totals</u>
Intergovernmental	\$181,278	\$ -	\$ -	\$ -	\$ 181,278
Accounts	-	-	-	22,592	22,592
Special assessments	<u>164,789</u>	<u>21,754</u>	<u>173,782</u>	<u>658,665</u>	<u>1,018,990</u>
Total	<u>\$346,067</u>	<u>\$21,754</u>	<u>\$173,782</u>	<u>\$681,257</u>	<u>\$1,222,860</u>
Noncurrent portion	<u>\$ 91,057</u>	<u>\$15,091</u>	<u>\$149,651</u>	<u>\$605,265</u>	<u>\$ 861,064</u>

**NOTE 5 - CAPITAL ASSETS:**

Capital asset activity for the year ended June 30, 2004 was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
<i>Governmental activities:</i>				
Capital assets not being depreciated - land	\$ <u>1,033,852</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,033,852</u>
Capital assets being depreciated:				
Land improvements	501,669	291,436	-	793,105
Water system	810,000	-	-	810,000
Buildings and improvements	1,512,174	4,019	-	1,516,193
Equipment and furniture	495,871	126,664	-	618,535
Vehicles	<u>832,734</u>	<u>-</u>	<u>-</u>	<u>832,734</u>
Subtotal	<u>4,152,448</u>	<u>418,119</u>	<u>-</u>	<u>4,570,567</u>
Less accumulated depreciation for:				
Land improvements	(288,437)	(32,752)	-	(321,189)
Water system	(105,300)	(16,200)	-	(121,500)
Buildings and improvements	(409,747)	(52,733)	-	(462,480)
Equipment and furniture	(227,043)	(51,599)	-	(278,642)
Vehicles	<u>(305,531)</u>	<u>(41,637)</u>	<u>-</u>	<u>(347,168)</u>
Subtotal	<u>(1,336,058)</u>	<u>(194,921)</u>	<u>-</u>	<u>(1,530,979)</u>
Net capital assets being depreciated	<u>2,816,390</u>	<u>223,198</u>	<u>-</u>	<u>3,039,588</u>
Total governmental capital assets, net	<u>\$ 3,850,242</u>	<u>\$ 223,198</u>	<u>\$ -</u>	<u>\$ 4,073,440</u>

**Township of Alpine**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 5 - CAPITAL ASSETS (Continued):

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
<i>Business-type activities:</i>				
Capital assets being depreciated:				
Sewer facilities	\$13,705,066	\$ 239,055	\$ -	\$13,944,121
Less accumulated depreciation for:				
Sewer facilities	<u>(3,096,284)</u>	<u>(232,402)</u>	<u>-</u>	<u>(3,328,686)</u>
<i>Total business-type capital         assets, net</i>	<u>\$10,608,782</u>	<u>\$ 6,653</u>	<u>\$ -</u>	<u>\$10,615,435</u>

Depreciation expense was charged to the Township's functions as follows:

<i>Governmental activities:</i>	
General government	\$ 69,414
Public safety	80,393
Public works	23,486
Culture and recreation	<u>21,628</u>
<i>Total governmental activities</i>	<u>\$194,921</u>
<i>Business-type activities:</i>	
Sewer	<u>\$232,402</u>

NOTE 6 - NONCURRENT LIABILITIES:

At June 30, 2004 noncurrent liabilities are comprised of the following individual issues:

<i>Governmental activities:</i>	
\$550,000 1997 Special assessment bonds - payable in annual installments ranging from \$20,000 to \$30,000, plus interest at 4.00% to 5.30%; final payment due December 2011	\$ 200,000
\$260,000 1997 General obligation bonds - payable in annual installments ranging from \$15,000 to \$25,000, plus interest at 4.00% to 5.30%; final payment due December 2011	170,000
\$800,000 1996 Installment note payable for the purchase of land and hall - payable in annual installments ranging from \$0 to \$75,000, plus interest at 5.50%; final payment due October 2010	345,000

**Township of Alpine**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 6 - NONCURRENT LIABILITIES (Continued):

*Governmental activities (continued):*

\$575,000 2002 Installment note payable for the construction of fire station #3 - payable in monthly installments ranging from \$8,657 to \$10,572, plus interest at 4.07%; final payment due June 2006 \$ 244,888

Total bonds and loans payable 959,888

Claim payable (See Note 8) 137,310

Accrued employee benefits 33,081

*Total governmental activities noncurrent liabilities* \$1,130,279

*Business-type activities:*

\$995,000 1998 Special assessment bonds - payable in annual installments ranging from \$50,000 to \$55,000, plus interest at 4.90% to 5.0887%; final payment due January 2018 \$ 705,000

2001 North Kent Sewer Authority sewer contract payable - payable in annual installments ranging from \$35,714 to \$98,520, plus interest at 2.98% to 5.16%; final payment due November 2026 1,405,142

2001 North Kent Sewer Authority sewer contract payable - payable in annual installments ranging from \$21,308 to \$57,836, plus interest at 1.70% to 5.23%; final payment due November 2027 821,880

*Total business-type activities noncurrent liabilities* \$2,932,022

**Township of Alpine**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 6 - NONCURRENT LIABILITIES (Continued):

Noncurrent liability activity for the year ended June 30, 2004, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
<i>Governmental activities:</i>					
Special assessment bonds	\$ 225,000	\$ -	\$ (25,000)	\$ 200,000	\$ 25,000
General obligation bonds	185,000	-	(15,000)	170,000	15,000
Installment purchases	704,461	-	(114,573)	589,888	119,552
Claim payable	137,310	-	-	137,310	-
Compensated absences	<u>13,900</u>	<u>45,846</u>	<u>(26,665)</u>	<u>33,081</u>	<u>-</u>
Governmental activities noncurrent liabilities	<u>\$1,265,671</u>	<u>\$ 45,846</u>	<u>\$ (181,238)</u>	<u>\$1,130,279</u>	<u>\$159,552</u>
<i>Business-type activities:</i>					
Special assessment bonds	\$ 755,000	\$ -	\$ (50,000)	\$ 705,000	\$ 50,000
2001 Sewer contract	1,270,994	164,430	(30,282)	1,405,142	35,714
2002 Sewer contract	<u>766,736</u>	<u>74,625</u>	<u>(19,481)</u>	<u>821,880</u>	<u>21,308</u>
Business-type activities noncurrent liabilities	<u>\$2,792,730</u>	<u>\$239,055</u>	<u>\$ (99,763)</u>	<u>\$2,932,022</u>	<u>\$107,022</u>

At June 30, 2004, debt service requirements, with the exception of the claim payable and compensated absences, were as follows:

	<u>Governmental activities</u>		<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ended June 30:				
2005	\$159,552	\$ 44,140	\$ 107,022	\$134,853
2006	175,336	36,241	109,485	130,524
2007	110,000	30,240	110,716	126,013
2008	110,000	24,501	111,948	121,334
2009	115,000	18,561	114,411	116,474
2010 - 2014	290,000	19,253	614,297	503,308
2015 - 2019	-	-	673,267	351,357
2020 - 2024	-	-	597,310	198,882
2025 - 2028	<u>-</u>	<u>-</u>	<u>493,566</u>	<u>43,559</u>
Totals	<u>\$959,888</u>	<u>\$172,936</u>	<u>\$2,932,022</u>	<u>\$1,726,304</u>



***Township of Alpine***  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 7 - DEFINED CONTRIBUTION PENSION PLAN:**

The Township's defined contribution pension plan for its employees is funded by a group annuity contract through an insurance company. The plan provides that current costs are paid entirely by the Township. The Township's policy is to fund pension cost accrued. Michigan state statute assigns the authority to establish and amend benefit provisions to the Township Board of Trustees. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

The Township made the required contributions of \$75,200 for the year ended June 30, 2004.

**NOTE 8 - RISK MANAGEMENT:**

The Township is exposed to various risks of loss related to general liability, property and casualty, workers' compensation, and employee medical claims. The risks of loss arising from general liability, property losses, workers' compensation, and employee medical costs are managed through purchased commercial insurance. For all risks of loss, there have been no significant reductions in insurance coverage from coverage provided in prior years. Also, in the past three years, settlements did not exceed insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The claim payable relates to ineligible grant costs that must be returned to the grantor. No repayment schedule has been provided by the grantor. There was no change in the balance of the claim payable during the last two fiscal years.

**NOTE 9 - JOINT VENTURE:**

*North Kent Sewer Authority:*

The Township is a participant in the North Kent Sewer Authority (the Authority). The administrative board of the Authority consists of members appointed by each participating unit. The Authority was formed for the purpose of acquiring and operating a sanitary sewer system. The Township utilizes the Authority to transport its sewage to the City of Grand Rapids Sanitary Sewer System for treatment and disposal. The Township has no equity interest in the Authority; therefore, financial information of the Authority has not been included in the Township's financial statements.

Costs of operations and capital asset acquisitions of the Authority are supported by contributions from the participating municipalities based on their share of sewage flow through the system. The Township has pledged its limited tax full faith and credit for its share of bonds issued by the Authority. During the year ended June 30, 2004, the Township paid the Authority approximately \$205,000.

Complete financial statements for the Authority can be obtained from the Authority's Administrative Office at P.O. Box 561, Rockford, Michigan 49341-0561.

**Township of Alpine**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 10 - CONSTRUCTION CODE ACT:**

A summary of construction code enforcement transactions for the year ended June 30, 2004, follows:

Revenues	\$ 87,308
Expenses	<u>(132,899)</u>
Deficiency of revenues over expenses	\$ <u>(45,591)</u>

**NOTE 11 - COMMITMENT:**

At June 30, 2004, the Township had authorized the purchase of a fire truck with a cost of \$194,330. The truck was delivered in July, 2004. The cost of the truck is being funded by available resources within the General Fund.

**NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLES:**

Effective July 1, 2003, the Township implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, along with all related statements and interpretations. In connection with the implementation of this statement, the following adjustments to beginning net assets have been made to reflect the cumulative effect of this accounting change in the governmental funds:

Net assets, as previously reported (general, capital projects funds, and debt service funds)	\$ 1,167,362
Capitalization of capital assets, net of accumulated depreciation, not previously reported	3,850,242
Recognition of revenues that were earned, but previously deferred, as they were not available	380,340
Accrual of compensated absences	(13,900)
Accrual of other liabilities that were not due and payable	(137,310)
Bonds and notes payable, that were previously reported in the general long-term debt account group	<u>(1,114,462)</u>
Net assets, as restated	\$ <u>4,132,272</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Township of Alpine**  
**BUDGETARY COMPARISON SCHEDULE - General Fund**  
Year ended June 30, 2004

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 583,959	\$ 594,009	\$ 580,452	\$ (13,557)
Trailer fees	3,516	3,516	3,634	118
Penalties and interest	13,100	9,505	9,837	332
Tax collection fees	<u>110,000</u>	<u>111,475</u>	<u>111,478</u>	<u>3</u>
<i>Total taxes</i>	<u>710,575</u>	<u>718,505</u>	<u>705,401</u>	<u>(13,104)</u>
Licenses and permits:				
Construction code permits	120,000	120,000	87,308	(32,692)
Cable television fees	93,000	93,000	86,279	(6,721)
Other	<u>3,150</u>	<u>3,150</u>	<u>2,015</u>	<u>(1,135)</u>
<i>Total licenses and permits</i>	<u>216,150</u>	<u>216,150</u>	<u>175,602</u>	<u>(40,548)</u>
Federal grant - FEMA	<u>-</u>	<u>72,140</u>	<u>72,756</u>	<u>616</u>
State grants:				
State shared revenue	1,010,000	986,000	979,929	(6,071)
METRO Act	<u>-</u>	<u>1,300</u>	<u>8,939</u>	<u>7,639</u>
<i>Total state grants</i>	<u>1,010,000</u>	<u>987,300</u>	<u>988,868</u>	<u>1,568</u>
Charges for services:				
Administrative fees	70,000	150,000	64,751	(85,249)
Recreation program fees	30,400	30,400	29,371	(1,029)
Petitioned meetings	15,000	15,000	14,700	(300)
Tax abatement fees	1,500	1,500	901	(599)
Fire call charges	500	5,155	5,155	-
Grave openings	<u>2,400</u>	<u>4,850</u>	<u>6,650</u>	<u>1,800</u>
<i>Total charges for services</i>	<u>119,800</u>	<u>206,905</u>	<u>121,528</u>	<u>(85,377)</u>
Interest and rentals:				
Interest income	16,000	16,000	17,130	1,130
Rentals	<u>8,000</u>	<u>8,000</u>	<u>8,512</u>	<u>512</u>
<i>Total interest and rentals</i>	<u>24,000</u>	<u>24,000</u>	<u>25,642</u>	<u>1,642</u>

**Township of Alpine****BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended June 30, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES (Continued)</b>				
Other:				
Special assessments:				
Drains	\$ 89,869	\$ 59,869	\$ 59,869	\$ -
Street lighting	27,300	27,300	27,290	(10)
Road	2,536	96,200	96,200	-
Other	<u>220,907</u>	<u>35,007</u>	<u>24,437</u>	<u>(10,570)</u>
<i>Total other</i>	<u>340,612</u>	<u>218,376</u>	<u>207,796</u>	<u>(10,580)</u>
<i>Total revenues</i>	<u>2,421,137</u>	<u>2,443,376</u>	<u>2,297,593</u>	<u>(145,783)</u>
<b>EXPENDITURES</b>				
Legislative	<u>19,945</u>	<u>19,945</u>	<u>16,119</u>	<u>3,826</u>
General government:				
General administration:				
Wages	27,150	27,620	34,710	(7,090)
Payroll taxes	2,110	2,110	2,078	32
Fringe benefits	7,650	7,790	7,681	109
Office supplies	14,000	14,000	10,723	3,277
Tax refunds	1,000	1,000	220	780
Contracted services	15,000	24,000	22,382	1,618
Engineering services	3,500	3,500	2,963	537
Dues and memberships	12,500	12,500	11,591	909
Tax statement preparation	20,000	20,000	19,180	820
Printing and publishing	3,500	3,500	1,386	2,114
Township newsletter	17,000	19,000	18,108	892
GIS implementation project	22,000	22,000	15,194	6,806
Miscellaneous	<u>3,500</u>	<u>2,890</u>	<u>1,095</u>	<u>1,795</u>
<i>Total general administration</i>	<u>148,910</u>	<u>159,910</u>	<u>147,311</u>	<u>12,599</u>

**Township of Alpine**

**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended June 30, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>EXPENDITURES (Continued):</b>				
General government (continued):				
Supervisor:				
Salary	\$ 45,900	\$ 45,900	\$ 45,899	\$ 1
Payroll taxes	3,510	3,510	3,392	118
Fringe benefits	10,700	11,765	11,764	1
Dues and memberships	25	25	-	25
Education	500	700	573	127
Miscellaneous	<u>1,900</u>	<u>1,900</u>	<u>1,626</u>	<u>274</u>
<i>Total supervisor</i>	<u>62,535</u>	<u>63,800</u>	<u>63,254</u>	<u>546</u>
Elections:				
Wages	1,000	585	-	585
Payroll taxes	80	80	-	80
Office supplies	500	500	353	147
Postage	1,200	1,200	7	1,193
Miscellaneous	<u>5,000</u>	<u>1,880</u>	<u>2,203</u>	<u>(323)</u>
<i>Total elections</i>	<u>7,780</u>	<u>4,245</u>	<u>2,563</u>	<u>1,682</u>
Assessor:				
Salary	51,917	51,917	51,917	-
Residential appraiser wages	30,519	31,409	31,145	264
Payroll taxes	6,405	6,405	6,323	82
Fringe benefits	20,300	21,081	20,387	694
Office supplies	505	1,300	1,166	134
Dues and memberships	-	505	355	150
Education and training	1,800	1,800	1,756	44
Miscellaneous	<u>850</u>	<u>850</u>	<u>432</u>	<u>418</u>
<i>Total assessor</i>	<u>112,296</u>	<u>115,267</u>	<u>113,481</u>	<u>1,786</u>

**Township of Alpine**

**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended June 30, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>EXPENDITURES (Continued)</b>				
General government (continued):				
Clerk:				
Salary	\$ 45,900	\$ 45,900	\$ 45,899	\$ 1
Deputy clerk wages	25,300	26,540	26,535	5
Payroll taxes	5,530	5,530	5,508	22
Fringe benefits	17,950	20,250	20,246	4
Dues and memberships	200	200	190	10
Education and training	1,000	1,229	1,193	36
Miscellaneous	600	720	756	(36)
<i>Total clerk</i>	<u>96,480</u>	<u>100,369</u>	<u>100,327</u>	<u>42</u>
Legal counsel	<u>25,800</u>	<u>25,800</u>	<u>24,010</u>	<u>1,790</u>
Auditing services	<u>11,200</u>	<u>11,200</u>	<u>11,012</u>	<u>188</u>
Board of review:				
Fees and per diem	600	600	450	150
Payroll taxes	50	50	35	15
Miscellaneous	300	100	86	14
<i>Total board of review</i>	<u>950</u>	<u>750</u>	<u>571</u>	<u>179</u>
Treasurer:				
Salary	45,900	45,900	45,899	1
Payroll taxes	3,511	3,511	3,497	14
Fringe benefits	10,450	10,750	10,730	20
Dues and memberships	135	135	135	-
Education and training	600	600	195	405
Miscellaneous	700	700	381	319
<i>Total treasurer</i>	<u>61,296</u>	<u>61,596</u>	<u>60,837</u>	<u>759</u>
Buildings and grounds:				
Wages	18,200	18,175	17,672	503
Payroll taxes	1,420	1,445	1,434	11
Maintenance supplies	6,500	8,000	7,122	878
Leaf recycling	8,000	7,000	2,030	4,970

**Township of Alpine**

**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended June 30, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>EXPENDITURES (Continued)</b>				
General government (continued):				
Buildings and grounds (continued):				
Contracted services	\$ 26,000	\$ 27,000	\$ 22,578	\$ 4,422
Grounds maintenance	21,500	21,500	19,017	2,483
Utilities	15,900	15,900	13,987	1,913
Telephone	11,000	11,000	9,862	1,138
Safety requirements	500	500	114	386
Repairs and maintenance	3,000	3,000	2,337	663
Miscellaneous	700	700	468	232
<i>Total buildings and grounds</i>	<u>112,720</u>	<u>114,220</u>	<u>96,621</u>	<u>17,599</u>
Cemeteries:				
Contracted services	2,500	2,500	504	1,996
Utilities	300	300	87	213
Repairs and maintenance	400	400	256	144
<i>Total cemeteries</i>	<u>3,200</u>	<u>3,200</u>	<u>847</u>	<u>2,353</u>
Other:				
Insurance and bonds	26,000	27,300	26,352	948
Other	3,950	4,650	4,303	347
<i>Total other</i>	<u>29,950</u>	<u>31,950</u>	<u>30,655</u>	<u>1,295</u>
<i>Total general government</i>	<u>673,117</u>	<u>692,307</u>	<u>651,489</u>	<u>40,818</u>
Public safety:				
Police protection	<u>260,000</u>	<u>270,000</u>	<u>267,284</u>	<u>2,716</u>
Fire department:				
Salaries and wages:				
Fire chief	39,820	41,967	41,951	16
Assistant fire chief	3,600	3,600	3,600	-
Secretary	11,120	10,620	10,560	60
Firemen	99,700	99,700	94,816	4,884
Fire practice	45,000	45,000	38,808	6,192



**Township of Alpine**

**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended June 30, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>EXPENDITURES (Continued)</b>				
Public safety (continued):				
Fire department (continued):				
Payroll taxes	\$ 14,391	\$ 14,391	\$ 13,994	\$ 397
Fringe benefits	19,900	20,050	19,167	883
Gas and oil	3,600	3,600	2,811	789
Office supplies	2,000	2,400	2,229	171
Maintenance supplies	14,000	13,000	9,973	3,027
Medical and rescue supplies	4,400	6,400	4,001	2,399
Contracted services	4,000	5,000	4,168	832
Dues and memberships	1,000	1,000	580	420
Utilities	11,900	10,400	7,786	2,614
Repairs and maintenance	4,000	5,500	4,703	797
County fire assessment	13,000	6,879	6,872	7
Education and training	8,200	7,700	4,681	3,019
Miscellaneous	9,400	9,500	8,455	1,045
<i>Total fire department</i>	<u>309,031</u>	<u>306,707</u>	<u>279,155</u>	<u>27,552</u>
Building inspection:				
Salaries and wages	78,372	80,150	78,611	1,539
Payroll taxes	6,065	6,065	5,803	262
Fringe benefits	18,750	20,715	20,615	100
Office supplies	2,500	2,500	1,020	1,480
Plumbing inspections	10,000	8,790	5,193	3,597
Electrical inspections	15,000	15,000	9,901	5,099
Mechanical inspections	15,000	12,835	8,604	4,231
Contracted services	350	350	279	71
Dues and memberships	600	600	205	395
Education and training	2,500	2,500	1,271	1,229
Miscellaneous	2,900	2,900	1,397	1,503
<i>Total building inspection</i>	<u>152,037</u>	<u>152,405</u>	<u>132,899</u>	<u>19,506</u>
<i>Total public safety</i>	<u>721,068</u>	<u>729,112</u>	<u>679,338</u>	<u>49,774</u>

**Township of Alpine****BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended June 30, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>EXPENDITURES (Continued)</b>				
Public works:				
Public transportation - ITP	\$ 51,000	\$ 51,000	\$ 48,639	\$ 2,361
Street lighting	34,500	34,500	34,479	21
Road maintenance	337,300	337,300	298,974	38,326
Watersheds and drains	<u>334,910</u>	<u>242,910</u>	<u>147,567</u>	<u>95,343</u>
<i>Total public works</i>	<u>757,710</u>	<u>665,710</u>	<u>529,659</u>	<u>136,051</u>
Community and economic development:				
Planning:				
Director salary	44,325	45,781	45,781	-
Fees and per diem	10,500	10,500	9,360	1,140
Payroll taxes	4,325	4,325	4,219	106
Fringe benefits	10,650	10,990	10,514	476
Contracted services	35,000	26,704	1,513	25,191
Education and training	3,000	3,000	1,445	1,555
Printing and publishing	3,000	10,000	4,641	5,359
Miscellaneous	<u>875</u>	<u>725</u>	<u>311</u>	<u>414</u>
<i>Total planning</i>	<u>111,675</u>	<u>112,025</u>	<u>77,784</u>	<u>34,241</u>
Zoning:				
Zoning administrator salary	38,180	38,444	38,443	1
Fees and per diem	4,095	3,381	2,665	716
Payroll taxes	3,265	3,265	2,738	527
Fringe benefits	9,800	10,250	10,205	45
Education and training	2,800	2,800	991	1,809
Other	<u>1,300</u>	<u>1,300</u>	<u>1,170</u>	<u>130</u>
<i>Total zoning</i>	<u>59,440</u>	<u>59,440</u>	<u>56,212</u>	<u>3,228</u>
<i>Total community and             economic development</i>	<u>171,115</u>	<u>171,465</u>	<u>133,996</u>	<u>37,469</u>

**Township of Alpine**

**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended June 30, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>EXPENDITURES (Continued)</b>				
Culture and recreation:				
Recreation and parks:				
Salary and wages	\$ 24,000	\$ 29,000	\$ 28,364	\$ 636
Payroll taxes	1,850	2,250	2,208	42
Gas and oil	950	1,100	1,056	44
Maintenance supplies	3,000	3,000	1,245	1,755
Contracted services	18,500	21,500	18,290	3,210
Soccer supplies	25,000	25,000	23,401	1,599
Soccer referees	7,800	12,450	12,161	289
Softball supplies	300	1,000	662	338
Softball umpires	2,500	2,500	1,200	1,300
Utilities	950	950	746	204
Miscellaneous	100	100	40	60
<i>Total recreation and parks</i>	<u>84,950</u>	<u>98,850</u>	<u>89,373</u>	<u>9,477</u>
Library:				
Contracted services	2,700	2,700	2,688	12
Utilities	4,450	4,450	3,635	815
Miscellaneous	650	650	475	175
<i>Total library</i>	<u>7,800</u>	<u>7,800</u>	<u>6,798</u>	<u>1,002</u>
Historical committee:				
Office supplies	1,300	1,300	709	591
Community promotion	3,000	3,300	3,197	103
Resource materials and books	100	100	87	13
Miscellaneous	750	650	173	477
<i>Total historical committee</i>	<u>5,150</u>	<u>5,350</u>	<u>4,166</u>	<u>1,184</u>
Historical hall:				
Contracted services	1,500	1,500	486	1,014
Utilities	5,700	5,700	2,894	2,806
<i>Total historical hall</i>	<u>7,200</u>	<u>7,200</u>	<u>3,380</u>	<u>3,820</u>
<i>Total culture and recreation</i>	<u>105,100</u>	<u>119,200</u>	<u>103,717</u>	<u>15,483</u>

**Township of Alpine**

**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended June 30, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>EXPENDITURES (Continued)</b>				
Capital outlay:				
Office equipment and furniture	\$ 3,350	\$ 3,090	\$ 2,084	\$ 1,006
Computers and software	9,000	28,000	26,671	1,329
Recreation department	37,000	35,500	33,344	2,156
Fire equipment	15,000	100,350	99,324	1,026
Fire clothing and boots	9,000	7,000	4,779	2,221
Fire truck replacement	200,000	200,000	-	200,000
Land improvements	13,500	13,500	3,999	9,501
Building additions and improvements	40,000	40,000	12,542	27,458
<i>Total capital outlay</i>	<u>326,850</u>	<u>427,440</u>	<u>182,743</u>	<u>244,697</u>
Debt service:				
Principal	<u>114,810</u>	<u>114,810</u>	<u>114,574</u>	<u>236</u>
Interest	<u>31,457</u>	<u>31,457</u>	<u>31,693</u>	<u>(236)</u>
<i>Total expenditures</i>	<u>2,921,172</u>	<u>2,971,446</u>	<u>2,443,328</u>	<u>528,118</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(500,035)	(528,070)	(145,735)	382,335
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>822,314</u>	<u>822,314</u>	<u>822,314</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 322,279</u>	<u>\$ 294,244</u>	<u>\$ 676,579</u>	<u>\$ 382,335</u>

## **SUPPLEMENTARY DATA**

***Township of Alpine***

**SCHEDULE OF BOND RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
\$550,000 1997 KENOWA HILLS WATER SPECIAL ASSESSMENT BONDS**

*June 30, 2004*

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<b><i>Fiscal period</i></b>	<b><i>Interest requirements</i></b>		<b><i>Maturity date</i></b>	<b><i>Principal</i></b>	<b><i>Total requirements</i></b>
	<b><i>December 1</i></b>	<b><i>June 1</i></b>			
2005	\$ 4,937	\$ 4,363	12/01/04	\$ 25,000	\$ 34,300
2006	4,363	3,775	12/01/05	25,000	33,138
2007	3,775	3,055	12/01/06	30,000	36,830
2008	3,055	2,443	12/01/07	25,000	30,498
2009	2,443	1,818	12/01/08	25,000	29,261
2010	1,818	1,180	12/01/09	25,000	27,998
2011	1,180	530	12/01/10	25,000	26,710
2012	530	-	12/01/11	20,000	20,530
	<u>\$ 22,101</u>	<u>\$ 17,164</u>		<u>\$ 200,000</u>	<u>\$ 239,265</u>

***Township of Alpine***

**SCHEDULE OF BOND RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
\$260,000 1997 KENOWA HILLS WATER GENERAL OBLIGATION BONDS**

*June 30, 2004*

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<b><i>Fiscal period</i></b>	<b><i>Interest requirements</i></b>		<b><i>Maturity date</i></b>	<b><i>Principal</i></b>	<b><i>Total requirements</i></b>
	<b><i>December 1</i></b>	<b><i>June 1</i></b>			
2005	\$ 4,235	\$ 3,890	12/01/04	\$ 15,000	\$ 23,125
2006	3,890	3,420	12/01/05	20,000	27,310
2007	3,420	2,940	12/01/06	20,000	26,360
2008	2,940	2,450	12/01/07	20,000	25,390
2009	2,450	1,950	12/01/08	20,000	24,400
2010	1,950	1,313	12/01/09	25,000	28,263
2011	1,313	663	12/01/10	25,000	26,976
2012	663	-	12/01/11	25,000	25,663
	<u>\$ 20,861</u>	<u>\$ 16,626</u>		<u>\$ 170,000</u>	<u>\$ 207,487</u>

**Township of Alpine****SCHEDULE OF NOTE RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
\$800,000 INSTALLMENT NOTE PAYABLE - TOWNSHIP HALL***June 30, 2004*

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<i><b>Fiscal period</b></i>	<i><b>Interest requirements</b></i>		<i><b>Maturity date</b></i>	<i><b>Principal</b></i>	<i><b>Total requirements</b></i>
	<i><b>October 1</b></i>	<i><b>April 1</b></i>			
2005	\$ 9,487	\$ 9,488	10/01/04	\$ -	\$ 18,975
2006	9,487	9,350	10/01/05	5,000	23,837
2007	9,350	7,700	10/01/06	60,000	77,050
2008	7,700	5,913	10/01/07	65,000	78,613
2009	5,912	3,988	10/01/08	70,000	79,900
2010	3,987	2,063	10/01/09	70,000	76,050
2011	2,063	-	10/01/10	75,000	77,063
	<u>\$ 47,986</u>	<u>\$ 38,502</u>		<u>\$ 345,000</u>	<u>\$ 431,488</u>



***Township of Alpine***

**SCHEDULE OF NOTE RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
\$575,000 INSTALLMENT NOTE PAYABLE - FIRE STATION**

*June 30, 2004*

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<b><i><u>Fiscal</u></i></b> <b><i><u>period</u></i></b>	<b><i><u>Interest</u></i></b> <b><i><u>requirements</u></i></b>	<b><i><u>Principal</u></i></b>	<b><i><u>Total</u></i></b> <b><i><u>requirements</u></i></b>
2005	\$ 7,740	\$ 119,552	\$ 127,292
2006	<u>2,782</u>	<u>125,336</u>	<u>128,118</u>
	<u>\$ 10,522</u>	<u>\$ 244,888</u>	<u>\$ 255,410</u>

**Township of Alpine****SCHEDULE OF BOND RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
\$995,000 1998 KENOWA HILLS SEWER SPECIAL ASSESSMENT BONDS***June 30, 2004*

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<b><i>Fiscal period</i></b>	<b><i>Interest requirements</i></b>		<b><i>Maturity date</i></b>	<b><i>Principal</i></b>	<b><i>Total requirements</i></b>
	<b><i>July 1</i></b>	<b><i>January 1</i></b>			
2005	\$ 17,625	\$ 17,625	01/01/05	\$ 50,000	\$ 85,250
2006	16,375	16,375	01/01/06	50,000	82,750
2007	15,125	15,125	01/01/07	50,000	80,250
2008	13,875	13,875	01/01/08	50,000	77,750
2009	12,625	12,625	01/01/09	50,000	75,250
2010	11,375	11,375	01/01/10	50,000	72,750
2011	10,125	10,125	01/01/11	50,000	70,250
2012	8,875	8,875	01/01/12	50,000	67,750
2013	7,625	7,625	01/01/13	50,000	65,250
2014	6,375	6,375	01/01/14	50,000	62,750
2015	5,125	5,125	01/01/15	50,000	60,250
2016	3,875	3,875	01/01/16	50,000	57,750
2017	2,625	2,625	01/01/17	50,000	55,250
2018	1,375	1,375	01/01/18	55,000	57,750
	<u>\$ 133,000</u>	<u>\$ 133,000</u>		<u>\$ 705,000</u>	<u>\$ 971,000</u>

**Township of Alpine****SCHEDULE OF BOND RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
2001 NORTH KENT SEWER AUTHORITY SEWER CONTRACT PAYABLE***June 30, 2004*


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<i><b>Fiscal period</b></i>	<i><b>Interest requirements</b></i>		<i><b>Maturity date</b></i>	<i><b>Principal</b></i>	<i><b>Total requirements</b></i>
	<i><b>November 1</b></i>	<i><b>May 1</b></i>			
2005	\$ 31,242	\$ 30,706	11/01/04	\$ 35,714	\$ 97,662
2006	30,706	30,095	11/01/05	38,177	98,978
2007	30,095	29,425	11/01/06	39,408	98,928
2008	29,425	28,694	11/01/07	40,640	98,759
2009	28,694	27,885	11/01/08	43,103	99,682
2010	27,885	27,067	11/01/09	43,103	98,055
2011	27,067	26,155	11/01/10	45,566	98,788
2012	26,155	25,208	11/01/11	46,797	98,160
2013	25,208	24,185	11/01/12	49,260	98,653
2014	24,185	23,086	11/01/13	51,723	98,994
2015	23,086	21,881	11/01/14	55,418	100,385
2016	21,881	20,593	11/01/15	57,881	100,355
2017	20,593	19,192	11/01/16	61,575	101,360
2018	19,192	17,703	11/01/17	64,038	100,933
2019	17,703	16,141	11/01/18	66,501	100,345
2020	16,141	14,474	11/01/19	70,196	100,811
2021	14,474	12,730	11/01/20	72,659	99,863
2022	12,730	10,897	11/01/21	76,353	99,980
2023	10,897	8,976	11/01/22	80,048	99,921
2024	8,976	6,905	11/01/23	84,974	100,855
2025	6,905	4,714	11/01/24	89,900	101,519
2026	4,714	2,432	11/01/25	93,594	100,740
2027	2,432	-	11/01/26	98,514	100,946
	<u>\$ 460,386</u>	<u>\$ 429,144</u>		<u>\$ 1,405,142</u>	<u>\$ 2,294,672</u>

**Township of Alpine****SCHEDULE OF BOND RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
2002 NORTH KENT SEWER AUTHORITY SEWER CONTRACT PAYABLE***June 30, 2004*


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<i><b>Fiscal period</b></i>	<i><b>Interest requirements</b></i>		<i><b>Maturity date</b></i>	<i><b>Principal</b></i>	<i><b>Total requirements</b></i>
	<i><b>November 1</b></i>	<i><b>May 1</b></i>			
2005	\$ 18,990	\$ 18,665	11/01/04	\$ 21,308	\$ 58,963
2006	18,665	18,308	11/01/05	21,308	58,281
2007	18,308	17,935	11/01/06	21,308	57,551
2008	17,935	17,530	11/01/07	21,308	56,773
2009	17,530	17,115	11/01/08	21,308	55,953
2010	17,115	16,634	11/01/09	24,352	58,101
2011	16,634	16,116	11/01/10	25,874	58,624
2012	16,116	15,586	11/01/11	25,874	57,576
2013	15,586	15,042	11/01/12	25,874	56,502
2014	15,042	14,486	11/01/13	25,874	55,402
2015	14,486	13,850	11/01/14	28,918	57,254
2016	13,850	13,165	11/01/15	30,440	57,455
2017	13,165	12,430	11/01/16	31,962	57,557
2018	12,430	11,643	11/01/17	33,484	57,557
2019	11,643	10,730	11/01/18	38,050	60,423
2020	10,730	9,778	11/01/19	38,050	58,558
2021	9,778	8,751	11/01/20	41,094	59,623
2022	8,751	7,686	11/01/21	42,616	59,053
2023	7,686	6,571	11/01/22	44,138	58,395
2024	6,571	5,380	11/01/23	47,182	59,133
2025	5,380	4,150	11/01/24	48,704	58,234
2026	4,150	2,843	11/01/25	51,748	58,741
2027	2,843	1,498	11/01/26	53,270	57,611
2028	1,498	-	11/01/27	57,836	59,334
	<u>\$ 294,882</u>	<u>\$ 275,892</u>		<u>\$ 821,880</u>	<u>\$ 1,392,654</u>

**SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 CONTINUING  
DISCLOSURE (*UNAUDITED*)**

**Alpine Township  
Taxable Value  
Fiscal Years Ended June 30, 2000 Through 2004**

<u>Assessed Value as of December 31</u>	<u>Year of State Equalization and Tax Levy</u>	<u>Alpine Township's Fiscal Years Ended June 30</u>	<u>Ad Valorem Taxable Value</u>	<u>Equivalent Taxable Value of Property Granted Tax Abatement Under Acts 198 and 255 (1)</u>	<u>Total Taxable Value</u>	<u>Percent Increase Over Prior Year</u>
1998	1999	2000	\$257,932,085	\$5,569,807	\$263,501,892	6.76%
1999	2000	2001	277,670,369	5,620,982	283,291,351	7.51
2000	2001	2002	297,958,439	7,681,559	305,639,998	7.89
2001	2002	2003	314,725,013	7,287,906	322,012,919	5.36
2002	2003	2004	343,982,054	6,932,781	349,914,835	8.66

Per Capita Total Taxable Value for the Fiscal Year Ended June 30, 2004 (2) .....\$25,037

(1) At the full tax rate. See "Tax Abatement".

(2) Based on Alpine Township's 2000 census population of 13,976.

Source: Alpine Township

**Alpine Township  
Total Taxable Value by Use and Class  
Fiscal Years Ended June 30, 2000 Through 2004**

	<u>Fiscal Years Ended June 30</u>				
<u>Use</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Agriculture.....	\$ 19,837,012	\$ 20,409,645	\$ 21,028,140	\$ 21,961,892	\$23,532,617
Commercial.....	85,791,666	97,219,521	104,575,401	110,274,946	118,435,533
Industrial.....	19,626,342	21,344,811	26,091,171	26,401,915	31,899,715
Residential .....	132,192,372	138,114,494	147,562,786	157,125,266	170,822,970
Utility.....	<u>6,054,500</u>	<u>6,202,900</u>	<u>6,382,500</u>	<u>6,248,900</u>	<u>5,224,000</u>
	<u>\$ 263,501,892</u>	<u>\$ 283,291,371</u>	<u>\$ 305,639,998</u>	<u>\$ 322,012,919</u>	<u>\$ 349,914,835</u>
<u>Class</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Real Property .....	\$ 240,114,942	\$ 258,539,901	\$ 278,411,648	\$ 294,566,275	\$ 321,875,927
Personal Property .....	<u>23,386,950</u>	<u>24,751,450</u>	<u>27,228,350</u>	<u>27,446,644</u>	<u>28,038,908</u>
	<u>\$ 263,501,892</u>	<u>\$ 283,291,351</u>	<u>\$ 305,639,998</u>	<u>\$ 322,012,919</u>	<u>\$ 349,914,835</u>

Source: Alpine Township

(UNAUDITED)

**Alpine Township  
State Equalized Valuation  
Fiscal Years Ended June 30, 2000 Through 2004**

<u>Assessed Value as of December 31</u>	<u>Year of State Equalization and Tax Levy</u>	<u>Alpine Township's Fiscal Years Ended June 30</u>	<u>Ad Valorem SEV</u>	<u>SEV of Property Granted Tax Abatement Under Acts 198 and 255 (1)</u>	<u>Total SEV</u>	<u>Percent Increase Over Prior Year</u>
1998	1999	2000	\$296,888,200	\$11,295,500	\$308,183,700	9.25%
1999	2000	2001	321,741,100	11,310,300	333,051,400	8.07
2000	2001	2002	348,186,800	15,455,400	363,642,200	9.19
2001	2002	2003	378,953,000	14,675,700	393,628,700	8.25
2002	2003	2004	412,756,100	14,043,800	426,799,900	8.43

Per Capita Total SEV for the Fiscal Year Ending June 30, 2004 (2)..... \$30,538

(1) See "Tax Abatement".

(2) Based on Alpine Township's 2000 census population of 13,976.

Source: Alpine Township

**Alpine Township  
Total SEV by Use and Class  
Fiscal Years Ended June 30, 2000 Through 2004**

<u>Use</u>	<u>Fiscal Years Ended June 30</u>				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Agriculture .....	\$ 23,224,200	\$ 25,599,500	\$ 26,836,500	\$ 34,376,000	\$ 37,694,400
Commercial .....	100,876,500	112,517,100	121,260,300	128,323,000	139,555,600
Industrial.....	27,078,400	28,508,900	36,005,600	36,392,400	42,437,500
Residential.....	150,950,100	160,223,000	173,157,300	188,288,400	201,888,400
Utility .....	<u>6,054,500</u>	<u>6,202,900</u>	<u>6,382,500</u>	<u>6,248,900</u>	<u>5,224,000</u>
	<u>\$ 308,183,700</u>	<u>\$ 333,051,400</u>	<u>\$ 363,642,200</u>	<u>\$ 393,628,700</u>	<u>\$ 426,799,900</u>
<u>Class</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Real Property .....	\$ 282,481,800	\$ 306,003,800	\$ 332,192,000	\$ 362,363,100	\$ 394,974,200
Personal Property .....	<u>25,701,900</u>	<u>27,047,600</u>	<u>31,450,200</u>	<u>31,265,600</u>	<u>31,825,700</u>
	<u>\$ 308,183,700</u>	<u>\$ 333,051,400</u>	<u>\$ 363,642,200</u>	<u>\$ 393,628,700</u>	<u>\$ 426,799,900</u>

Source: Alpine Township

(UNAUDITED)

## **Tax Abatement**

Alpine Township's taxable value does not include the value of certain facilities, which have temporarily been removed from the Ad Valorem Tax Roll pursuant to Act 198 or Act 255 (the "Acts"). The Acts were designed to provide a stimulus in the form of significant tax incentives to industry and commercial enterprises to renovate and expand aging facilities ("Rehab Properties") and to build new facilities ("New Properties"). Except as indicated below, under the provisions of the Acts, a local governmental unit (i.e., a city, village, or township) may establish plant rehabilitation districts, industrial development districts, and commercial redevelopment districts and offer industrial and commercial firms certain property tax incentives or abatements to encourage restoration or replacement of obsolete facilities and to attract new facilities to the area.

An industrial or commercial facilities exemption certificate granted under either of the Acts entitles an eligible facility to exemption from Ad Valorem Taxes for a period of up to 12 years. In lieu of Ad Valorem Taxes, the eligible facility will pay an industrial facilities or commercial facilities tax (the "IFT Tax" and "CFT Tax", respectively). For properties granted tax abatement under the Acts, there exists separate tax rolls referred to as the industrial facilities tax roll (the "IFT Tax Roll") and the commercial facilities tax roll (the "CFT Tax Roll"), respectively. The IFT or CFT Tax for an obsolete facility, which is being restored or replaced is determined in exactly the same manner as the Ad Valorem Tax; the important difference being that the value of the property remains at the taxable value level prior to the improvements even though the restoration or replacement substantially increases the value of the facility. For a new facility the IFT or CFT Tax is also determined the same as the Ad Valorem Tax but, instead of using the total mills levied as Ad Valorem Taxes, a lower millage rate is applied. For abatements granted prior to 1994, this millage rate equals  $\frac{1}{2}$  of all tax rates levied by other than the state and local school district for operating purposes plus  $\frac{1}{2}$  of the 1993 rate levied by the local school district for operating purposes. For abatements granted after 1994, this millage rate equals  $\frac{1}{2}$  of all tax rates levied by other than the state plus none,  $\frac{1}{2}$ , or all of the state tax rate (as determined by the State Treasurer). Act 255 expired as an effective statute of the State of Michigan on December 31, 1986, and tax abatements granted to commercial facilities under Act 255 prior to December 31, 1986, have expired.

Alpine Township has established goals, objectives, and procedures to provide the opportunity for industrial and commercial development and expansion. Since 1974, Alpine Township has approved a number of applications for local property tax relief for industrial and commercial firms. Most abatements have been for new industrial facilities. The SEV of properties, which have been granted tax abatement under the Act 198, removed from the Ad Valorem Tax Roll, and placed on the IFT Tax Rolls totaled \$14,043,800 for the fiscal year ending June 30, 2004. The IFT Taxes paid on these properties is equivalent to Ad Valorem Taxes paid on \$6,932,781 of taxable value at the full tax rate (the "Equivalent Taxable Value"). Upon expiration of the industrial facilities exemption certificates, the current equalized valuation of the abated properties will return to the Ad Valorem Tax Roll as taxable value.



**Alpine Township  
Maximum Property Tax Rates  
Fiscal Year Ended June 30, 2004**

<u>Millage Classification</u>	<u>Millage Authorized</u>	<u>Applicable Millage Reduction Fraction (1)</u>	<u>Maximum Allowable Millage</u>
Allocated Operating.....	1.1000	0.9895	0.9431
Voted Operating .....	1.0000	0.9895	0.9527

(1) Cumulative.

Source: Alpine Township

**Alpine Township  
Property Tax Rates  
Fiscal Years Ended June 30, 2000 Through 2004**

<u>Levy December 1</u>	<u>Fiscal Year Ended June 30</u>	<u>Allocated Operating</u>	<u>Voted Operating</u>	<u>Total</u>
1999	2000	0.9735	0.7613	1.7348
2000	2001	0.9637	0.7711	1.7348
2001	2002	0.9586	0.7762	1.7348
2002	2003	0.9532	0.7816	1.7348
2003	2004	0.9431	0.7917	1.7348

Source: Alpine Township

**Alpine Township  
Property Tax Collections  
Fiscal Years Ended June 30, 2000 Through 2004**

<u>December 1 Levy</u>	<u>Fiscal Years Ended June 30</u>	<u>Tax Levy (1)</u>	<u>Collections to March 1 Following Levy</u>	<u>Percent Collected</u>
1999	2000	\$448,040	\$432,550	96.54%
2000	2001	481,739	464,539	96.43
2001	2002	529,714	510,045	96.29
2002	2003	558,837	539,779	96.59
2003	2004	582,954	564,691	96.86

(1) Township taxes only. Includes taxes on properties granted tax abatement under Act 198. See "Tax Abatement".

Source: Alpine Township

(UNAUDITED)

**Alpine Township  
Ten Largest Taxpayers  
Fiscal Year Ended June 30, 2004**

<u>Taxpayer</u>	<u>Principal Product or Service</u>	<u>Taxable Value (1)</u>	<u>% of Total (2)</u>
York Creek Ltd.....	Apartments.....	\$ 29,058,123	8.30%
Churchill Apartments .....	Apartments.....	5,180,776	1.48
Commercial Tool & Die. ....	Die manufacturer .....	5,174,517	1.48
Behr Industries .....	Auto wood components	4,845,233	1.38
Aspen/Alpine Project LP .....	Manufacturer.....	4,167,587	1.19
Art Van Furniture .....	Retail.....	3,774,665	1.08
Alpine Slopes Apartments.....	Apartments.....	3,735,647	1.07
Wal-Mart .....	Retail.....	3,701,250	1.06
Menards, Inc. ....	Retail.....	3,697,275	1.06
Consumers Power.....	Utility.....	<u>3,030,507</u>	<u>0.87</u>
		<u>\$ 66,365,580</u>	<u>18.97%</u>

(1) Includes the Equivalent Taxable Value of property granted tax abatement under Act 198. See "Tax Abatement".

(2) Based on \$349,914,835, which is Alpine Township's Total Taxable Value for its fiscal year ended June 30, 2004. Includes the equivalent taxable value of property granted tax abatement under Act 198. See "Tax Abatement".

Source: Alpine Township

**Alpine Township  
Legal Debt Margin  
As of June 30, 2004**

Debt Limit (1) .....		\$42,679,990
Debt Outstanding .....	\$3,891,910	
Less: Exempt Debt.....	<u>3,302,022</u>	
.....		<u>589,888</u>
Legal Debt Margin.....		<u>\$42,090,102</u>

(1) 10% of \$426,799,900, which is Alpine Township's Total SEV for the fiscal year ended June 30, 2004. Includes the SEV of property granted tax abatement under Act 198. See "Tax Abatement".

Source: Municipal Advisory Council of Michigan and Alpine Township

(UNAUDITED)

**Alpine Township  
Debt Statement  
As of June 30, 2004**

<u>Alpine Township Direct Debt</u>	<u>Gross</u>	<u>Self-Supporting</u>	<u>Net</u>
Share of North Kent Sewer Authority Bonds:			
Dated September 12, 2001 (Limited Tax) .....	\$ 1,405,142	\$ 1,405,142	\$ -0-
Dated April 17, 2002 (Limited Tax) .....	<u>821,880</u>	<u>821,880</u>	<u>-0-</u>
Subtotal .....	<u>2,227,022</u>	<u>2,227,022</u>	<u>-0-</u>
Special Assessment Bonds:			
Dated August 1, 1998 (Limited Tax) .....	705,000	705,000	-0-
Dated September 1, 1997 (Limited Tax) .....	<u>200,000</u>	<u>200,000</u>	<u>-0-</u>
Subtotal .....	<u>905,000</u>	<u>905,000</u>	<u>-0-</u>
General Obligation Bonds:			
Dated September 1, 1997 (Limited Tax) .....	<u>170,000</u>	<u>170,000</u>	<u>-0-</u>
Subtotal .....	<u>170,000</u>	<u>170,000</u>	<u>-0-</u>
Installment Purchase Obligations:			
Fire Building .....	244,888	-0-	244,888
Building and Property .....	<u>345,000</u>	<u>-0-</u>	<u>345,000</u>
Subtotal .....	<u>589,888</u>	<u>-0-</u>	<u>589,888</u>
Total .....	<u>\$ 3,891,910</u>	<u>\$ 3,302,022</u>	<u>\$ 589,888</u>
Per Capita Net Alpine Township Direct Debt (1) .....			\$42
Percent of Net Direct Debt to Total SEV (2) .....			0.14%
<u>Overlapping Debt (3)</u>	<u>Gross</u>	<u>Township Share As Percent of Gross</u>	<u>Net</u>
Kent County .....	\$ 86,945,000	1.92%	\$ 1,669,344
Grand Rapids Community College .....	60,195,000	1.87	1,125,647
Sparta School District .....	39,740,000	11.40	4,530,360
Comstock Park School District .....	44,782,914	41.85	18,741,650
Kenowa Hills School District .....	38,665,000	17.33	<u>6,700,645</u>
Totals .....			<u>\$ 32,747,646</u>
Per Capita Net Overlapping Debt (1) .....			\$2,345
Percent of Net Overlapping Debt to Total SEV (2) .....			7.68%
Per Capita Net Direct and Overlapping Debt (1) .....			\$2,387
Percent of Net Direct and Overlapping Debt to Total SEV (2) .....			7.82%

(1) Based on Alpine Township's 2000 census population of 13,976.

(2) Based on \$426,799,900, which is Alpine Township's Total SEV for the fiscal year ended June 30, 2004. Includes the SEV of property granted tax abatement under Act 198. See "Tax Abatement".

(3) Overlapping debt is the portion of another taxing unit's debt for which property taxpayers of Alpine Township are liable in addition to debt issued by Alpine Township.

Source: Municipal Advisory Council of Michigan and Alpine Township

(UNAUDITED)